GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:189
ANSWERED ON:06.05.2016
Over Valuation of Coal Imports
Dev Km. Sushmita

Will the Minister of FINANCE be pleased to state:

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(a) the mechanism in place to monitor and track cases of under/over valued imports, along with major cases investigated;

(b) whether the Directorate of Revenue Intelligence (DRI) has recently issued a Nationwide alert to its customs formations to scrutinise coal imports for overvaluation, if so, the details thereof;

(c) whether several power generating companies and traders have been importing coal and inflating the import value of coal beyond the price prevailing in the international market, if so, the details thereof, company and country-wise;

(d) whether the Government proposes to investigate the modus-operandi of this suspected scam and if so, the details thereof; and

(e) the other steps the Government proposes to take to check such frauds in future?

Answer

MINISTER OF FINANCE (SHRI ARUN JAITLEY)

(a) to (e): A Statement is laid on the Table of the House.

Statement in reply to Lok Sabha Starred Question No. *189 for answer on 06-05-2016.

(a) Cases of undervaluation / overvaluation of imports are booked based on intelligence inputs received. Also, the Risk Management System (RMS) interdicts import consignments on the basis of risk parameters. The department through the Directorate General of Valuation, Central Board of Excise & Customs (CBEC), monitors the trend in valuation of commodities imported across different Customs locations of the country. The Directorate General of Valuation also issues alerts or valuation guidelines, wherever necessary. In the year 2015-16, the Department has investigated 12 major undervaluation cases (wherein duty involved is more than Rs.1 crore in each case) involving a total duty amount of about Rs.135.70 Crore.

(b) Yes, Madam. Modus Operandi circulars which are confidential in nature are issued from time to time to sensitize the field formations.

(c) Yes, Madam. This matter is still under investigation.

(d) & (e) The Government has already initiated investigations as per prevalent laws wherever overvaluation or undervaluation has been noticed. In order to prevent such illegal imports in future, Directorate General of Revenue Intelligence, Directorate General of Valuation and the field formations keep constant vigil on such cases. Based upon investigations necessary action under the law is taken.